

REMIT CLAIMS OF THE UNITED STATES ON ACCOUNT OF
OVERPAYMENTS TO PART-TIME CHARWOMEN IN
THE BUREAU OF ENGRAVING AND PRINTING

NOVEMBER 5 (legislative day, OCTOBER 25), 1943.—Ordered to be printed

Mr. ROBERTSON, from the Committee on Claims, submitted the
following

REPORT

[To accompany S. 1447]

The Committee on Claims, to whom was referred the bill (S. 1447) to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The amendments are as follows:

Page 2, line 21, after "SEC. 2." strike out the rest of that line down to and including the word "all" in line 22, and insert in lieu thereof the following:

Nothing in this Act shall be deemed to authorize the refund of any

Page 3, line 3, after the period strike out the rest of that line down to and including the period at the end of line 6.

The purpose of the proposed legislation is to cancel all claims of the United States in consequence of payments of wages at the rate of 78 cents an hour, rather than at some lower rate or rates, for work performed during the period from August 1, 1942, to June 30, 1943, by part-time charwomen employed in the Bureau of Engraving and Printing of the Treasury Department.

STATEMENT OF FACTS

The request for this legislation was transmitted to the chairman of the Senate Claims Committee by the Secretary of the Treasury, recommending the passage of same. After carefully considering the facts set forth in Mr. Morgenthau's report, your committee recommend that the bill do pass insofar as it provides for the remission of all claims in consequence of payments of wages as set forth in the bill,

but do not recommend that the Treasury be authorized to make refunds of any and all amounts heretofore withheld or deducted from wages paid to any of said part-time charwomen for work performed after June 30, 1943, in satisfaction of any and all claims in consequence of said payments of wages at said rate of 78 cents and at said overtime rate. Therefore, your committee have amended the bill accordingly and recommend that it do pass as amended.

Appended hereto is the letter of the Secretary of the Treasury.

TREASURY DEPARTMENT,
Washington 25, October 7, 1943.

The PRESIDENT OF THE SENATE.

SIR: There is transmitted herewith a proposed bill to remit claims of the United States on account of overpayments to part-time charwomen in the Bureau of Engraving and Printing, and for other purposes.

The part-time charwomen of the Bureau of Engraving and Printing are subject to the Classification Act of 1923 (42 Stat. 1488, as amended; U. S. C., title 5, secs. 661-674). Their wages are computed at an hourly rate. Prior to 1936 they were regularly employed 4 hours a day, 6 days a week, or 24 hours a week. In that year a 5-day workweek went into effect in the Bureau. As a result the part-time charwomen were regularly employed only 20 hours a week. At the same hourly rate of pay, 50 cents, they would have suffered a reduction in weekly earnings. Such a reduction would have constituted a hardship rendering employment on an hourly basis in the Bureau less advantageous than comparable employment in other agencies. Section 1 of the act of June 26, 1936 (49 Stat. 1969; U. S. C., title 5, sec. 673c), obviated the situation by providing in effect authority to adjust the hourly rate so that the normal earnings for the new 5-day workweek would equal the normal earnings for the previous 6-day (24-hour) week. As a result, the part-time charwomen were paid 60 cents an hour, or \$12 a week for a 5-day (20-hour) week. Their normal weekly earnings were thus the same as the normal earnings of part-time charwomen in other agencies who were paid 50 cents an hour but who worked a 6-day (24-hour) week.

The situation remained unchanged until the act of August 1, 1942 (56 Stat. 733; U. S. C., Supp. II, title 5, sec. 673). That act further amended the Classification Act of 1923 to increase the general rate of pay of part-time charwomen from 50 to 65 cents an hour. Accordingly, there was presented the question whether the part-time charwomen who continued to be regularly employed 5 days (20 hours) a week should be paid at the flat rate of 65 cents an hour, or whether that rate was subject to adjustment pursuant to the act of June 26, 1936. Payment at the flat rate would, of course, have resulted in normal weekly earnings of less than the normal weekly earnings of persons employed in similar capacity in other agencies, creating a situation comparable to that which the act of June 26, 1936, had been designed to obviate. It was administratively determined that the act of August 1, 1942, changed the hourly rate from 50 to 65 cents, but that it did not supersede the Rate Adjustment Act of June 26, 1936. Accordingly, commencing August 1, 1942, the Bureau of Engraving and Printing part-time charwomen were paid at the rate of 78 cents an hour, which yielded earnings of \$15.60 for a 5-day (20-hour) week, the same normal earnings of persons similarly employed in other agencies on the basis of a 6-day (24-hour) week at the new general rate of 65 cents.

The correctness of this action was believed to find corroboration in the Comptroller General's January 7, 1943, decision which discussed the application of the pertinent statutes in the matter of the compensation payable to other employees of the Bureau. Although the questions which that decision considered are clearly distinguishable from the question of the rate properly applicable in determining the wages of part-time charwomen, statements in the decision were regarded as consistent with the view that the act of August 1, 1942, operated to fix an hourly rate of 78 cents for persons so employed. Accordingly, the rate was not reduced to 65 cents when pursuant to the act of December 22, 1942 (56 Stat. 1068), and Executive Order No. 9289, the normal workweek for part-time charwomen in the Bureau was increased to 4 hours a day, 6 days a week, or 24 hours a week. Payments at this rate were terminated effectively June 30, 1943, in consequence of a letter dated June 25, 1943, from the Comptroller General stating that "the legal salary rate, on and after August 1, 1942, for the employees here involved is 65

cents per hour, not 78 cents per hour." The letter advised that there was no alternative but to raise a charge against each of the persons paid at the rate of 78 cents an hour, including both those in and out of service, for the amount of the overpayment and to institute collection proceedings.

Following the enactment of December 22, 1942, a few part-time charwomen, reached in turn for promotion, were assigned to divisions where the workweek was 48 hours. During the time these charwomen were on detail, and before papers for promotion were executed, they worked more than 40 hours in 1 week and were paid for the hours in excess of 40 at the time-and-one-half rate.

The total number of part-time charwomen paid at the 78-cent or the time-and-one-half rate was 128 of whom approximately 116 are still on the pay rolls of the Bureau of Engraving and Printing. The aggregate amount of the claims asserted pursuant to the Comptroller General's letter is approximately \$7,200. The average amount for each person involved is approximately \$56, although in a few instances the claims against individual employees will exceed \$100. The Treasury Department contemplated collection of the claims by small installment deductions from payments for current work, and the procedure was instituted during the month of July 1943. This collection procedure is only partially effective, since, of course, it can be utilized only with respect to those persons still on the pay rolls. Furthermore, it works on them a hardship for which they are in no way actually responsible. In view of the circumstances, the Treasury Department has deemed it proper to suspend deductions pending submission of the matter to the Congress.

The Treasury Department recommends enactment of the proposed legislation. It would remit any claims in consequence of payments of wages at the 78-cent-an-hour rate and the time and one-half rate for work performed during the time specified by part-time charwomen employed in the Bureau of Engraving and Printing, and would refund the amounts deducted from wage payments for work since June 30, 1943, in partial satisfaction of the claims. The difficult situation is not the fault of the part-time charwomen. They performed their work on the understanding that 78 cents an hour, regular time, was the correct wage rate. In fact, the Civil Service papers of some of the more recent employees affected so indicated. If the United States does, in fact, have valid legal claims against these employees (and it cannot be said as an administrative matter that the question is entirely free from doubt) the Treasury Department believes that the claims should be remitted, the amounts having been paid and received in good faith.

It is respectfully requested that you lay the proposed bill before the Senate. A similar bill has been transmitted to the Speaker of the House of Representatives.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress.

Respectfully,

H. MORGENTHAU,
Secretary of the Treasury.

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